

The Influence of Work Climate and Compensation on Employee Performance at PT. XYZ

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ABSTRACT:

Employee performance is a crucial factor in determining an organization's success in achieving its goals. Factors influencing employee performance include work climate and compensation. This study aims to analyze the influence of work climate and compensation on employee performance. The research method used was a quantitative approach, with data collection techniques through distributing questionnaires to employees. Data analysis was conducted using multiple linear regression. Metode yang digunakan adalah random sampling dan jumlah responden sebanyak 30 orang dengan jumlah pertanyaan sebanyak 10 untuk variabel X1, sebanyak 5 item pertanyaan untuk variabel X2 dan sebanyak 6 pertanyaan untuk variabel Y. The results show that work climate and compensation have a positive and significant effect on employee performance, both partially and simultaneously. The more conducive the work climate and the better the compensation provided by the company, the higher employee performance)

Keyword: Influence, Work Climate, Compensation, Employee Performance

I. INTRODUCTION

Work environment issues and conditions that impact employee comfort, productivity, and satisfaction can include ineffective communication resulting from miscommunication between management and employees. Authoritarian leadership and unfair decision-making are still common in several divisions due to an unbalanced workload. The organizational culture at XYZ Company causes work stress among employees. In addition to work climate issues, employees also feel that the wages they receive are unbalanced with their workload, creating low work motivation. Furthermore, salaries and benefits are less competitive. Both the work climate and compensation contribute to a high employee turnover rate and make it difficult to retain a high-quality workforce.

Human resources are a key asset in the success of any business or organization. This success is influenced by the company's optimal management of its employees. Both the work environment and individual factors can influence employee performance. A conducive work climate creates a comfortable work environment and increases employee motivation and productivity (Karmawan et al., 2015). In addition, compensation received by employees is fair

and in accordance with the workload, which is an important factor in increasing employee enthusiasm and loyalty. (Kompensasi et al., 2023).

In addition, compensation received by employees is fair and in accordance with the workload, which is an important factor in increasing employee enthusiasm and loyalty. (Prabowo & Lesmana, 2023). Some experts argue that a wage scale contributes to improving organizational performance, productivity, and competitiveness. This serves as a sustainability strategy to support the effectiveness of achieving organizational goals (No et al., 2026).

Work climate is employees' perceptions of the work conditions and environment they directly experience within the organization. Work climate encompasses relationships between employees, leadership support for employees, effective communication, cooperation, and the working environment. A positive work climate will encourage employees to work more effectively and productively (Dingot Hamonangan Ismail & Eric Hermawan, 2022). The work climate is also influenced by a safe, comfortable and conducive work environment. An uncomfortable and non-conducive environment will have an impact on reducing employee enthusiasm and work spirit (Nurjannah et al., 2026).

Compensation is a form of reward given by a company to employees as remuneration for work performed. Compensation can be financial or non-financial. (Firmansyah et al., 2026). Both work climate and compensation are indicators of employee work motivation, where employee turnover rates are also influenced by both of these things. (Fajrin & Asbari, 2025). Compensation is influenced by several individual factors such as education, experience, and performance (Hadi et al., 2026), job factors such as position and responsibilities, as well as external factors such as company conditions, labor market, government policies, and cost of living (Utama, 2022).

The combination of these factors determines the amount of compensation an employee receives (Widyanti et al., 2026). Compensation must be commensurate with the employee's workload, as the amount of compensation impacts employee motivation and performance. Compensation can be financial or non-financial, with companies offering various forms of compensation, not necessarily monetary, but also awards, promotions, or other forms of appreciation (Ilmiah et al., 2026).

Employee performance is the work results produced by employees after carrying out various tasks in accordance with the responsibilities given by the company. (Azizah et al., 2022). Good performance indicates a high and optimal level of work effectiveness and efficiency. Based on this, the problem formulation is as follows:

1. Does work climate affect employee performance?
2. Does compensation affect employee performance?
3. Do work climate and compensation simultaneously affect employee performance?

II. METHOD

The independent variables of this study are work climate (X1) and compensation (X2), while the dependent variable is employee performance (Y). Work climate issues can be measured through several important indicators related to these variables, including work relationships, communication, leadership, teamwork, organizational support, rewards, and a comfortable work environment. These indicators impact employee performance. This study was conducted using a quantitative approach with a survey method. The population in this study was all employees at XYZ Company and the sampling technique used random sampling. Data collection techniques used questionnaires, field observations, and literature studies from previous research. (Kamus et al., 2025). Data analysis techniques include validity tests, reliability tests, classical assumption tests, regression analysis and coefficient of determination (R^2).

Work climate indicators include:

- a. Relationships between employees.
- b. Leadership support.
- c. Organizational communication, and Teamwork.
- d. Comfortable work environment.

Compensation indicators include:

- a. Salary.
- b. Incentives.
- c. Allowances.
- d. Bonuses.
- e. Non-financial rewards.

Employee performance indicators include:

- a. Quality of work.
- b. Quantity of work.
- c. Punctuality.
- d. Work effectiveness.
- e. Responsibility.

The number of respondents in this study was 30 people, consisting of 18 men and 12 women, where the average employee had a high school education, although some of them had a D3 or S1 education.

III. RESULTS AND DISCUSSION

A food distribution company in Tangerang Regency wanted to understand the impact of work climate and compensation on employee performance. The company's work climate has faced various challenges, including a less-than-conducive work environment and suboptimal communication between management and employees, leading to frequent miscommunication, which impacts employee performance. After conducting the research, the results of a questionnaire distributed to 30 employees showed the following:

A. Validity Test

Table 1 Validity Test

No	Item	R count	R table	Information
Work Climate Variables (X1)				
1	Item_1	.739	0.361	Valid
2	Item_2	.615	0.361	Valid
3	Item_3	.403	0.361	Valid
4	Item_4	.762	0.361	Valid
5	Item_5	.615	0.361	Valid
6	Item_6	.751	0.361	Valid
7	Item_7	.664	0.361	Valid
8	Item_8	.403	0.361	Valid
9	Item_9	.717	0.361	Valid
10	Item_10	.682	0.361	Valid
Compensation Variable (X2)				
1	Item_1	.592	0,361	Valid
2	Item_2	.612	0,361	Valid
3	Item_3	.759	0,361	Valid

4	Item_4	.555	0,361	Valid
5	Item_5	.520	0,361	Valid
Employee Performance Variables (Y)				
1	Item_1	.919	0,361	Valid
2	Item_2	.540	0,361	Valid
3	Item_3	.939	0,361	Valid
4	Item_4	.939	0,361	Valid
5	Item_5	.596	0,361	Valid
6	Item_6	.459	0,361	Valid

Source: Processed primary data (2026)

Based on the results of the validity test, all items, including items in the work climate, compensation and employee performance variables, have a calculated r value greater than the table r value, so it can be concluded that all items are valid and can be continued to the next test.

B. Reliability Test

A measuring instrument is said to be reliable if it produces the same results when measuring a symptom at different times. The results of the reliability test for the work climate variable (X1) obtained a Cronbach's alpha value of 0.832, thus concluding that its reliability is very good. The results of the reliability test for the compensation variable (X2) obtained a Cronbach's alpha value of 0.6, thus concluding that its reliability is acceptable. Meanwhile, the results of the reliability test for the performance variable obtained a Cronbach's alpha value of 0.848, thus concluding that its reliability is very good.

C. Normality Test

A normality test is a statistical process that aims to determine whether the data sample obtained comes from a normally distributed population. A normal distribution is a symmetrical form of data distribution, where the majority of values lie around the mean, and the frequency decreases gradually as the values move away from the mean.

Table 2 Normality Test

One-Sample Kolmogorov-Smirnov Test				
		Work Climate	Compensation	Employee Performance
N		30	30	30
Normal Parameters ^{a,b}	Mean	32.30	20.40	23.60
	Std. Deviation	7.062	2.010	3.276
Most Extreme Differences	Absolute	.128	.146	.153
	Positive	.128	.146	.153
	Negative	-.105	-.102	-.117
Kolmogorov-Smirnov Z		.699	.797	.838
Asymp. Sig. (2-tailed)		.712	.549	.484

Source: Processed primary data (2026)

From the results of the normality test using the one sample Kolmogorov Smirnov method, the asymp sig. (2-tailed) value for variable x1 is 0.712, variable x2 is 0.549 and for variable y is 0.484. Because the asymp sig. (2-tailed) value is > 0.05 , it can be concluded that the three variables are normally distributed.

D. Multicollinearity Test

Table 3 Multicollinearity Test

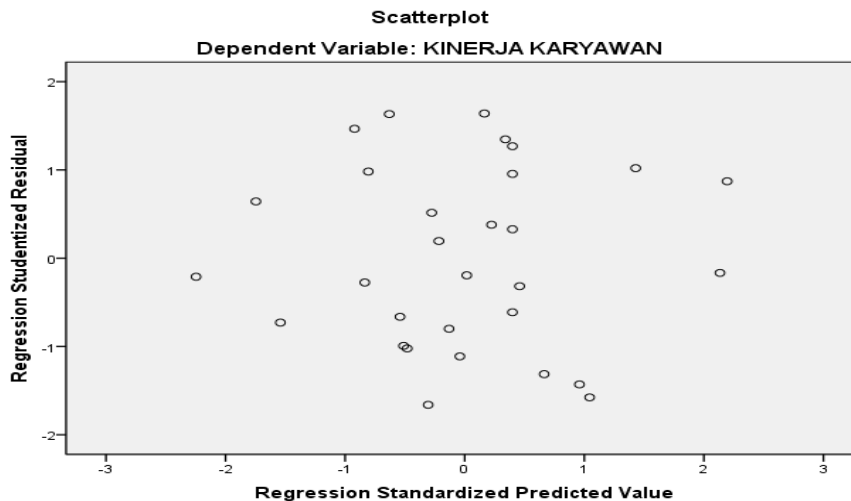
Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	22.175	6.863		3.231	.003		
	Work Climate	-.104	.086	-.224	-1.210	.237	.999	1.001
	Compensation	.235	.302	.144	.776	.444	.999	1.001

Source: Processed primary data (2026)

The multicollinearity test results show that the variance inflation factor (VIF) value for the work climate variable is 1.001 and the compensation variable is 1.001. Since the VIF value is less than 10 and the tolerance value is more than 0.1, it can be concluded that the regression model does not have a multicollinearity problem.

E. Heteroscedasticity Test

The heteroscedasticity test is used to determine whether the variance of the residuals in a regression model is constant. A good regression model is one that does not experience heteroscedasticity.



Source: Processed primary data (2026)

Graph 1 Heteroscedasticity test using the regression graph method

From the results of the heteroscedasticity test using the regression graph method, it can be seen that the points are spread with an unclear pattern above and below zero on the

y-axis, so it can be concluded that there is no heteroscedasticity problem for the two independent variables.

F. Multiple linear regression test

Table 4 Multiple linear regression test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.175	6.863		3.231	.003
	Work Climate	-.104	.086	-.224	-1.210	.237
	Compensation	.235	.302	.144	.776	.444

Source: Processed primary data (2026)

Based on the results of the multiple linear regression test, the equation obtained is $Y = 22.175 + (-0.104) X_1 + 0.235 X_2$ so it can be concluded that if there is no addition or change in the work climate and compensation, employee performance will be 22.175 and if the work climate increases by 1, performance will decrease by 0.104 and if compensation is increased by 1, employee performance will increase by 0.235.

G. Test of Coefficient of Determination

- The influence between work climate variables (X_1) and employee performance (Y)

Table 5. Test of the Coefficient of Determination of X_1 against Y

Model Summary					
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1	.229 ^a	.052	.018	3.245

a. Predictors: (Constant), Work Climate

Source: Processed primary data (2026)

Based on the coefficient of determination test, it was found that the work climate has an influence of 5.2% on employee performance, the remainder is 94.8% and the remainder is influenced by other variables.

- The influence of compensation variables (X_2) on employee performance (Y)

Table 6 Test of the Coefficient of Determination of X_2 against Y

Model Summary					
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1	.151 ^a	.023	-.012	3.296

a. Predictors: (Constant), Compensation

Source: Processed primary data (2026)

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Based on the coefficient of determination test, the compensation variable has an influence of 2.3% and the remaining 97.7% is influenced by other variables.

- The influence between work climate variables (X1) and compensation (X2) on employee performance (Y)

Table 7 Test of the Coefficient of Determination of X1 and X2 against Y

Model Summary					
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
dimension0	1	.270 ^a	.073	.004	3.269

a. Predictors: (Constant), Compensation, Work Climate

Source: Processed primary data (2026)

Together, the work climate and compensation variables have an influence of 7.3% on employee performance and the remaining 92.7% is influenced by other variables besides.

IV. CONCLUSION

Work climate and compensation have a positive and significant effect on employee performance, both partially and simultaneously. Work climate has a negative effect, while compensation has a positive effect. XYZ Company needs to create a conducive and comfortable work climate by improving communication and cooperation among employees. It should balance compensation and workload, and provide fair and competitive compensation commensurate with employee contributions. Further research will be conducted by adding other variables such as job satisfaction, motivation, and leadership, with a larger sample size than this study, for more comprehensive results. Work climate has a 5.2% effect on employee performance, while compensation has a 2.3% effect. This research will be developed further by involving more respondents and more varied data with other variables such as employee competency, motivation, discipline and others.

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